

Veterans Commission
Summary of Recommendations - Senate

Page I-95

Thomas Palladino, Executive Director

Louellen Lowe, LBB Analyst

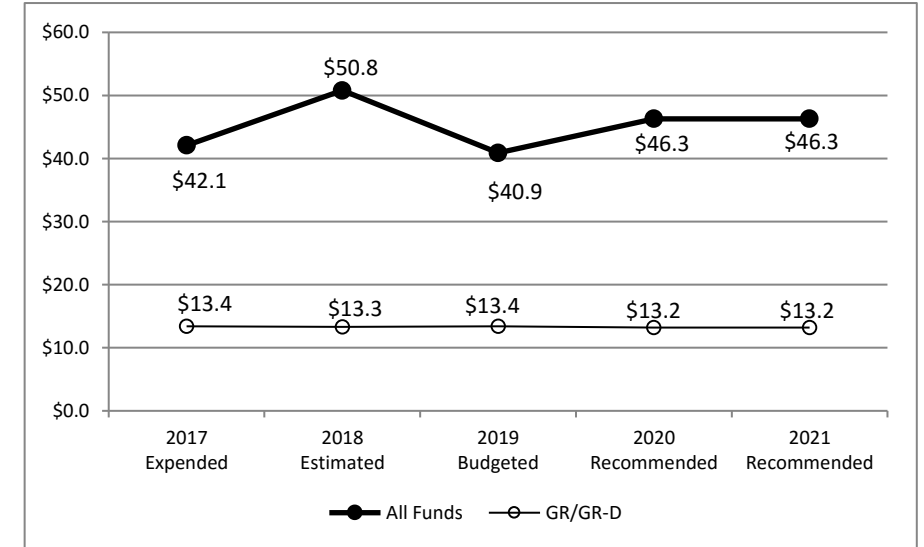
Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$26,691,274	\$26,411,106	(\$280,168)	(1.0%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$26,691,274</i>	<i>\$26,411,106</i>	<i>(\$280,168)</i>	<i>(1.0%)</i>
Federal Funds	\$23,142,108	\$25,081,520	\$1,939,412	8.4%
Other	\$41,896,903	\$41,027,906	(\$868,997)	(2.1%)
All Funds	\$91,730,285	\$92,520,532	\$790,247	0.9%

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	410.5	392.5	(18.0)	(4.4%)

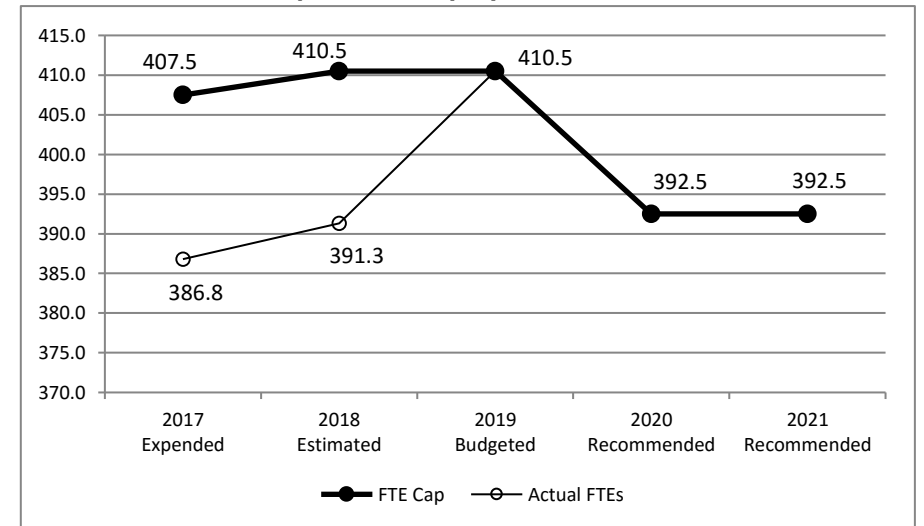
Agency Budget and Policy Issues and/or Highlights

- The Texas Veterans Commission is currently under Sunset Review. The agency aims to advocate for and provide services to Texas veterans, their families, and their survivors.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Veterans Commission
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>							
A)	Federal Disabled Veterans Outreach Program.	\$0.0	\$0.0	\$2.7	\$0.0	\$2.7	A.1.2.
B)	Local Veterans Employment Representative Program	\$0.0	\$0.0	(\$0.7)	\$0.0	(\$0.7)	A.1.2.
C)	Interagency Contract with HHSC for the Veterans Mental Health Program	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.6)	A.1.4.
D)	Lottery Revenue, General Assistance Grants - Agency projects a decrease in grant applications approved by the Fund for Veterans' Assistance (FVA) Advisory Committee.	\$0.0	\$0.0	\$0.0	(\$1.8)	(\$1.8)	B.1.1.
E)	Lottery Revenue, Housing 4 Texas Heroes Grants - Agency projects an increase related to increase in grant applications approved by the FVA Advisory Committee.	\$0.0	\$0.0	\$0.0	\$1.3	\$1.3	B.1.2.
F)	Lottery Revenue, Veteran Treatment Court Grants - Agency projects an increase related to increase in grant applications approved by the FVA Advisory Committee.	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	B.1.3.
G)	Removal of 2018-19 CAPPs implementation funding.	(\$0.3)	\$0.0	\$0.0	\$0.0	(\$0.3)	D.1.1.
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$0.3)	\$0.0	\$2.0	(\$0.9)	\$0.8	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>		\$0.0	\$0.0	\$2.7	\$1.5	\$4.3	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>		(\$0.3)	\$0.0	(\$0.7)	(\$2.4)	(\$3.4)	As Listed

NOTE: Totals may not sum due to rounding.

Veterans Commission
Selected Fiscal and Policy Issues - Senate

1. **FTE Reductions.** Recommendations reduce FTE cap authority by 18.0 each fiscal year. Of those 18 FTEs, 15 FTEs are related to Claims Representation and Counseling and 3 FTEs are related to Central Administration for CAPPs implementation completed in the 2018-19 biennium.

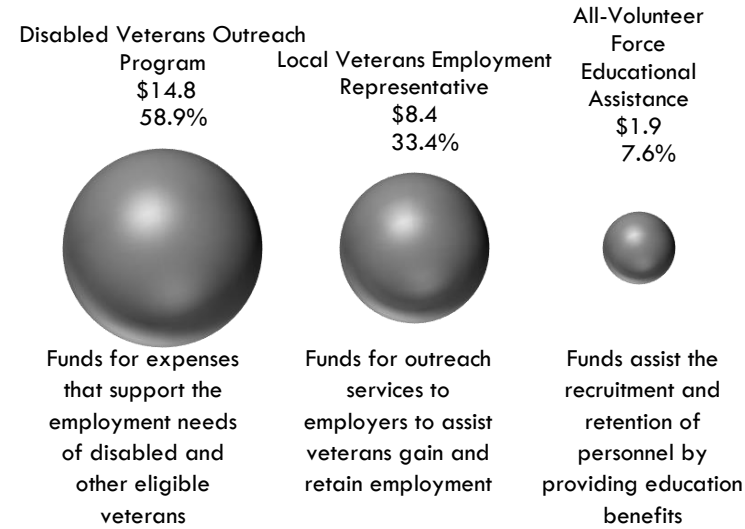
The 85th Legislature approved funding to support 410.5 FTEs for the agency. However, in fiscal year 2018, the Veterans Commission decided to leave 25.5 positions unfilled and increase salaries for the remaining Claims Representation and Counseling staff to create parity with similar positions in the U.S. Veterans Administration. Additionally, the agency used a portion of salary savings created by unfilled positions to implement the new eManagement system for claims filing and tracking. As a result, the agency lacks the funding necessary to fill the 25.5 vacancies in Claims Representation and Counseling. Not included in the recommendations is the agency's request for \$2,336,630 in General Revenue funds to fill the vacancies in this strategy. The recommended reduction to the FTE cap of 18 FTEs would bring the cap closer to current FTE levels.

2. **Sunset Review.** The Sunset Advisory Commission (SAC) recommends continuation of the Texas Veterans Commission for another 12 years and identified five issues for which it made recommendations. The five identified issues require management action to improve its claims, grants, and training programs by adjusting processes and planning to find efficiencies. In its Claims Counseling program, the SAC recommends the agency better maximize its resources, requiring better tracking, analysis, and strategic placement of its counselors. Finally, a recommendation was adopted by the Commission which would require TVC to create and provide grant-writing training for veterans county service officers. The SAC report indicates that its recommendations would not have a fiscal impact to the state and can be achieved using existing agency resources.

Veterans Commission

Summary of Federal Funds (2020 - 21) - Senate

Total \$25.1M



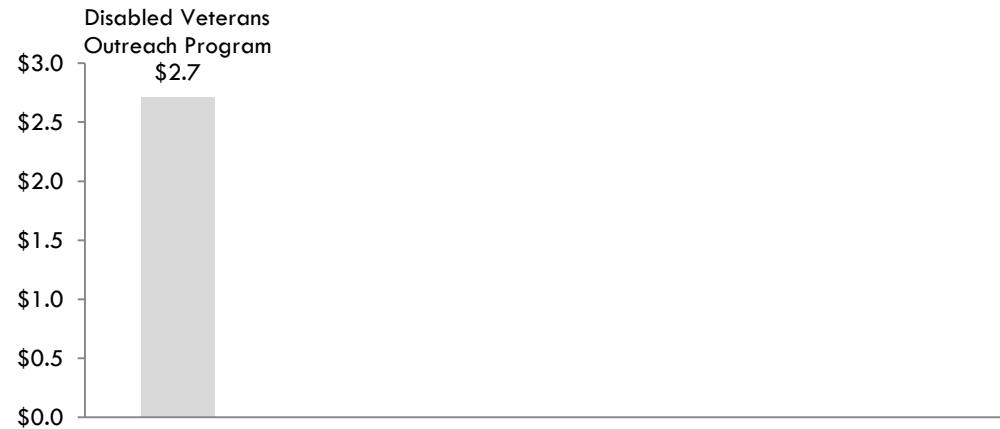
Selected Federal Fiscal and Policy Issues

Federal Funds estimates for the 2020-2021 biennium reflect no significant fiscal and policy issues. Federal Funds expenditures for the Disabled Veterans Outreach Program is expected to increase slightly in the 2020-21 biennium.

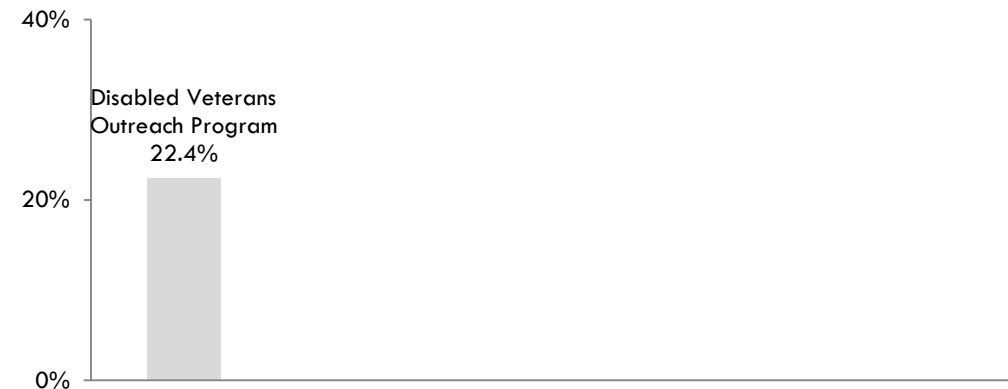
This increase is not due to a higher federal award, instead a decision by the agency to expend a larger portion of the award in each year of the biennium.

Programs with Federal Funding Changes from 2018 - 19

Program Change-by Amount (in millions)



Program Change-by Percentage



**Veterans Commission
Rider Highlights - Senate**

New Riders

2. **Sunset Contingency.** Funds appropriated above for fiscal year 2021 for the Texas Veterans Commission are made contingent on the continuation of the Texas Veterans Commission by the Eighty-sixth Legislature, Regular Session, 2019. In the event that the agency is not continued, the funds appropriated for fiscal year 2020, or as much thereof as may be necessary, are to be used to provide for the phase out of agency operations.

Deleted Riders

3. **Appropriation of License Plate Receipts.** The agency receives revenue from the sale of Air Force Association of Texas and American Legion license plates. Article IX, Section 8.13 Appropriation of Specialty License Plate Receipts provides the agency authority to collect revenues from the sale of license plates.

Veterans Commission
Items Not Included in Recommendations - Senate

	2020-21 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items - In Agency Priority Order

1)	Funding to fill 25.5 vacancies in Claims Representation and Counseling to meet demand for assistance in rural areas across the state.	\$2,336,630	\$2,336,630	15.0	No	No	\$2,233,630
2)	Funding for four FTEs and related personnel costs in the Women Veterans Program to help connect women veterans to federal, state, and local services within 4 different regions of the state.	\$504,488	\$504,488	4.0	No	No	\$484,888
3)	Funding for three FTEs and related personnel costs in the Veteran Entrepreneur Program to connect veteran entrepreneurs to federal, state, and local resources within metropolitan cities throughout Texas.	\$819,940	\$819,940	3.0	No	No	\$764,940
4)	Funding to procure Incident Response Preparedness and Endpoint Protection to include Security Incident and Event Management related to cyber security.	\$482,064	\$482,064	0.0	Yes	Yes	\$354,510

TOTAL Items Not Included in Recommendations		\$4,143,122	\$4,143,122	22.0			\$3,837,968
--	--	--------------------	--------------------	-------------	--	--	--------------------

**Veterans Commission
Appendices - Senate**

Table of Contents		
Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	8
B	Summary of Federal Funds	10
C	FTE Highlights	11
D	Performance Measure Highlights	*
E	Summary of Ten Percent Biennial Base Reduction Options	12

* Appendix is not included - no significant information to report

Veterans Commission
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
CLAIMS REPRESENTATION & COUNSELING A.1.1	\$13,597,292	\$13,597,292	\$0	0.0%	
VETERANS EMPLOYMENT SERVICES A.1.2	\$21,452,152	\$23,421,564	\$1,969,412	9.2%	Recommendations include a \$1.9 million increase in Federal Funds for the Disabled Veterans Outreach Program.
VETERANS EDUCATION A.1.3	\$3,150,942	\$3,250,942	\$100,000	3.2%	Recommendations include a \$100,000 increase in General Revenue related to a one-time transfer from A.1.3 to A.1.5 for FY18 only.
VETERANS OUTREACH A.1.4	\$3,666,064	\$3,071,218	(\$594,846)	(16.2%)	Recommendations include a \$594,846 reduction in Other Funds related to an IAC with HHSC for the Veterans Mental Health Program, which HHSC will continue to fund.
VETERAN ENTREPRENEUR PROGRAM A.1.5	\$469,018	\$369,018	(\$100,000)	(21.3%)	Recommendations include a \$100,000 reduction in General Revenue related to a one-time transfer of funds from A.1.3. to A.1.5. in FY 18 only.
HEALTH CARE ADVOCACY PROGRAM A.1.6	\$1,596,692	\$1,596,692	\$0	0.0%	
Total, Goal A, ASSIST VETS W/RECEIVING BENEFITS	\$43,932,160	\$45,306,726	\$1,374,566	3.1%	
GENERAL ASSISTANCE GRANTS B.1.1	\$28,006,589	\$26,157,438	(\$1,849,151)	(6.6%)	Recommendations include a \$1,819,151 decrease in Other Funds related to an projected reduction of approved applications for grant awards in 2020-21 and a \$30,000 reduction in Federal Funds related to the discontinuation of participation in the federal Veterans Transportation Program.
HOUSING FOR TEXAS HEROES B.1.2	\$10,832,000	\$12,132,000	\$1,300,000	12.0%	Recommendations include a \$1,300,000 increase in Other Funds related to an projected increase of approved applications for grant awards in 2020-21.
VETERANS TREATMENT COURTS B.1.3	\$4,755,000	\$5,000,000	\$245,000	5.2%	Recommendations include a \$245,000 increase in Other Funds related to an projected increase in approved applications for grant awards in 2020-21.
Total, Goal B, FUND DIRECT SERVICES TO VETERANS	\$43,593,589	\$43,289,438	(\$304,151)	(0.7%)	
HAZLEWOOD REIMBURSEMENTS C.1.1	\$0	\$0	\$0	0.0%	

Veterans Commission
Funding Changes and Recommendations - Senate, by Strategy -- ALL FUNDS

Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
HAZLEWOOD ADMINISTRATION C.1.2	\$781,200	\$781,200	\$0	0.0%	
Total, Goal C, HAZLEWOOD ADMINISTRATION	\$781,200	\$781,200	\$0	0.0%	
CENTRAL ADMINISTRATION D.1.1	\$3,423,336	\$3,143,168	(\$280,168)	(8.2%)	Recommendations include a \$280,168 decrease in General Revenue related to the removal of 2018-19 CAPPs funding.
Total, Goal D, INDIRECT ADMINISTRATION	\$3,423,336	\$3,143,168	(\$280,168)	(8.2%)	
Grand Total, All Strategies	\$91,730,285	\$92,520,532	\$790,247	0.9%	

Veterans Commission
Summary of Federal Funds - Senate
(Dollar amounts in Millions)

Program	Est 2018	Bud 2019	Rec 2020	Rec 2021	2018-19 Base	2020-21 Rec	2020-21 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Disabled Veterans Outreach Program (DVOP)	\$6.0	\$6.0	\$7.4	\$7.4	\$12.1	\$14.8	58.9%	\$2.7	22.4%
Local Veterans Employment Representative	\$4.6	\$4.6	\$4.2	\$4.2	\$9.1	\$8.4	33.4%	(\$0.7)	(8.1%)
All-Volunteer Force Educational Assistance	\$1.0	\$1.0	\$1.0	\$1.0	\$1.9	\$1.9	7.6%	\$0.0	0.0%
TOTAL:	\$11.6	\$11.6	\$12.5	\$12.5	\$23.1	\$25.1	100.0%	\$1.9	8.4%

**Veterans Commission
FTE Highlights - Senate**

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	407.5	410.5	410.5	392.5	392.5
Actual/Budgeted	373.0	381.4	410.5	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$130,840	\$145,580	\$145,580	\$145,580	\$145,580

Notes:

a) The State Auditor's Office Reports, *Executive Compensation at State Agencies* (Report 18-705, August 2018), indicates a market average salary of \$159,077 for the Executive Director position at the Texas Veterans Commission and recommends changing the Group classification from Group 4 to Group 5. The agency is not requesting any changes to its Exempt Position.

b) The increase in FTEs from 2017 to 2018 is related to 3 FTEs appropriated for CAPPs implementation.

Veterans Commission
Summary of Ten Percent Biennial Base Reduction Options Recommendations - Senate

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in LBB Recs?
			GR & GR-D	All Funds	FTEs				
1)	Staff Reduction - Claims	This reduction would require the elimination of 15.5 Claims Counselors. According to the agency, these reductions could result in a negative impact to monetary payments for Texas Veterans and their families.	\$1,333,913	\$1,333,913	15.5	\$0	10%	\$13,339,144	No
2)	Staff Reduction - Veteran Employment Services	This reduction would require decreased travel for community outreach and training conducted by Veteran Employment Services Counselors in the San Antonio and Killeen areas.	\$25,732	\$25,732	0.0	\$0	10%	\$257,324	No
3)	Veteran Education Program	This reduction would require the elimination of \$3,000 per year in compensation as well as the elimination of one FTE in the El Paso area.	\$133,366	\$133,366	1.0	\$0	10%	\$1,333,662	No
4)	Veterans Outreach	This reduction would require the elimination of the Veterans Outreach Liaison position.	\$127,264	\$127,264	1.0	\$0	10%	\$1,272,638	No
5)	Veteran Entrepreneur Program	This reduction would require the reduction of one-half FTE consultant.	\$36,902	\$36,902	0.5	\$0	10%	\$369,018	No
6)	Healthcare Advocacy Program	This reduction would require the elimination of 2 FTEs providing assistance to veterans seeking health care at VHA clinics and hospitals.	\$159,670	\$159,670	2.0	\$0	10%	\$1,596,692	No
7)	HOUSING4TEXASHEROES Program	This reduction would require reduced funding in the Housing for Texas Heroes grants program resulting the reduction of 6 to 12 veteran home modification projects each year.	\$300,000	\$300,000	0.0	\$0	10%	\$3,000,000	No
8)	Veteran Treatment Courts Program	This reduction would eliminate funding for 50% of the 11 Veteran Treatment Court programs that currently receive FVA grants.	\$150,000	\$150,000	0.0	\$0	10%	\$1,500,000	No
9)	Hazlewood Administration	This reduction would require the elimination of 1 FTE providing customer service for the Hazlewood program.	\$78,120	\$78,120	1.0	\$0	10%	\$781,200	No
10)	Central Administration	This reduction would require the elimination of 3.5 administrative positions and would result in the loss of Federal funds to the agency.	\$324,160	\$324,160	3.5	\$189,236	11%	\$2,961,428	No

TOTAL, 10% Reduction Options	\$2,669,127	\$2,669,127	24.5	\$189,236
-------------------------------------	--------------------	--------------------	-------------	------------------